

Annual Report to the Stockholders
of the
Jordan Motor Car Company, Inc.
CLEVELAND, OHIO

MAR 7 1927



For the year ended December 31, 1926

To the Stockholders:

March 5, 1927

THE balance sheet of Jordan Motor Car Company, Inc., as of December 31st, 1926, and its income and profit and loss statement for the calendar year are submitted to you herewith.

It will be noted that the company has no bank loans or other indebtedness aside from current bills, not due, and all bills are being discounted.

The ratio of assets to liabilities is much improved over the year before, being three and three-tenths to one as compared with one and nine-tenths to one a year ago.

Owing to serious over-production by many manufacturers during the latter half of 1926 the whole industry suffered a severe falling off in sales to the public during that period.

As a result it became necessary for your company, as well as others, to revise production plans and to make substantial expenditures in anticipation of a new demand on the part of the public for 1927.

The new Jordan line, which includes the Eight, which is perhaps the most satisfactory car we ever built, and the new Little Custom Jordan, is now in production, and we look forward to the coming year with confidence.

A complete audit, certified by Ernst & Ernst, shows that the company's financial condition is very sound. This is evidenced by its current assets of \$1,429,129.86 against current liabilities of \$421,657.27, the latter representing unpaid invoices, payrolls and accruals of taxes, not yet due.

Your management has decided to charge off certain items which have previously been carried as deferred, and in addition to provide from surplus a reserve for contingencies in the amount of \$40,000.

The reduction in surplus during the year is almost entirely accounted for by the substantial decrease in the deferred items of \$397,287.68 for 1925, as against \$131,897.17 for 1926.

EDWARD S. JORDAN

President.

Jordan Motor Car Company, Inc.

Balance Sheet December 31, 1926

ASSETS

CURRENT:

Cash.....		\$ 95,987.49
Accounts Receivable.....		130,531.77
Merchandise Inventory (At cost or market, whichever is lower).....		1,202,610.60

\$1,429,129.86

Real Estate, Plant and Equipment, etc.....	\$1,842,011.58	
Less—Reserve for Depreciation.....	<u>636,520.00</u>	1,205,491.58
Other Assets		34,812.96
Contracts, Plans, Specifications, etc.....		300,000.00
Deferred Expenses.....		131,897.17

\$3,101,331.57

LIABILITIES

CURRENT:

Current Accounts Payable.....	}	421,657.27
Taxes, Payrolls & Sundries Accrued, Not Due..		
Accrued Taxes—Federal Income and Excise...		

Reserve for Contingencies.....	40,000.00
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CAPITAL AND SURPLUS

CAPITAL STOCK:

Preferred—7% Cumulative:		
Authorized.....	\$1,200,000.00	
Less Treasury Stock.....	<u>274,750.00</u>	
Outstanding.....		925,250.00
Common—No Par Value:		
Authorized.....	200,000 Shares	
Issued.....	126,000 Shares	

CAPITAL SURPLUS.....	<u>1,714,424.30</u>	<u>2,639,674.30</u>
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\$3,101,331.57

Statement of Income for the Year Ended December 31st, 1926

Sales of Automobiles and Parts.....		\$11,632,083.94
Cost of Goods Sold.....	\$10,191,807.77	
Depreciation.....	<u>233,753.04</u>	10,425,560.81

GROSS PROFIT

Selling, Administrative, and General Expense.		\$ 1,206,523.13
		<u>1,109,729.28</u>

NET PROFIT

\$ 96,793.85

Statement of Capital Surplus

Balance December 31, 1925.....	\$ 2,157,536.18
Net Profit for the Year.....	<u>96,793.85</u>

\$ 2,254,330.03

LESS:

Adjustments		
Pertaining to 1925.....	285,785.59	
Dividends Paid.....	<u>254,120.14</u>	539,905.73

Balance December 31st, 1926.....		<u><u>\$ 1,714,424.30</u></u>
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